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106TH CONGRESS
2D SESSION**H. R. 2392****[Report No. 106–289]**

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 28, 1999

Received; read twice and referred to the Committee on Small Business

MAY 10, 2000

Reported by Mr. BOND, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]**AN ACT**

To amend the Small Business Act to extend the authorization for the Small Business Innovation Research Program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Inno-

5 vation Research Program Reauthorization Act of 1999”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

1 (1) the small business innovation research pro-
2 gram established under the Small Business Inno-
3 vation Development Act of 1982 and reauthorized by
4 the Small Business Research and Development En-
5 hancement Act of 1992 (in this section referred to
6 as the “SBIR program”) is highly successful in in-
7 volving small businesses in federally funded research
8 and development;

9 (2) the SBIR program made the cost-effective
10 and unique research and development capabilities
11 possessed by the small businesses of this Nation
12 available to Federal agencies and departments;

13 (3) the innovative goods and services developed
14 by small businesses that participated in the SBIR
15 program have produced innovations of critical impor-
16 tance in a wide variety of high-technology fields, in-
17 cluding biology, medicine, education, and defense;

18 (4) the SBIR program is a catalyst in the pro-
19 motion of research and development, the commer-
20 cialization of innovative technology, the development
21 of new products and services, and the continued ex-
22 cellence of this Nation’s high-technology industries;
23 and

24 (5) the continuation of the SBIR program will
25 provide expanded opportunities for one of the Na-

1 tion's vital resources, its small businesses, will foster
 2 invention, research, and technology, will create jobs,
 3 and will increase this Nation's competitiveness in
 4 international markets.

5 **SEC. 3. EXTENSION OF SBIR PROGRAM.**

6 Section 9(m) of the Small Business Act (~~15 U.S.C.~~
 7 ~~638(m)~~) is amended to read as follows:

8 “(m) **TERMINATION.**—The authorization to carry out
 9 the Small Business Innovation Research Program estab-
 10 lished under this section shall terminate on September 30,
 11 2007.”.

12 **SEC. 4. ANNUAL REPORT.**

13 Section 9(b)(7) of the Small Business Act (~~15 U.S.C.~~
 14 ~~638(b)(7)~~) is amended by striking “and the Committee on
 15 Small Business of the House of Representatives” and in-
 16 serting “, and to the Committee on Science and the Com-
 17 mittee on Small Business of the House of Representa-
 18 tives,”.

19 **SEC. 5. THIRD PHASE ASSISTANCE.**

20 Section 9(e)(4)(C)(i) of the Small Business Act (~~15~~
 21 ~~U.S.C. 638(e)(4)(C)(i)~~) is amended by striking “; and”
 22 and inserting “; or”.

1 **SEC. 6. RIGHTS TO DATA.**

2 Section 9(j) of the Small Business Act (15 U.S.C.
3 638(j)) is amended by adding at the end the following new
4 paragraph:

5 “(3) **ADDITIONAL MODIFICATIONS.**—Not later
6 than 90 days after the enactment of the Small Busi-
7 ness Innovation Research Program Reauthorization
8 Act of 1999, the Administrator shall modify the pol-
9 icy directives issued pursuant to this subsection to
10 clarify that the rights provided for under subpara-
11 graph (2)(A) of this subsection apply to all Federal
12 funding awards falling under the definitions of ‘first
13 phase’, ‘second phase’, or ‘third phase’, as specified
14 in subsection (e)(4).”.

15 **SEC. 7. REPORT ON PROGRAMS FOR ANNUAL PERFORM-**
16 **ANCE PLAN.**

17 Section 9(g) of the Small Business Act (15 U.S.C.
18 638(g)) is amended—

19 (1) in paragraph (7), by striking “and” at the
20 end;

21 (2) in paragraph (8), by striking the period at
22 the end and inserting “; and”; and

23 (3) by adding at the end the following new
24 paragraph:

25 “(9) include, as part of its annual performance
26 plan as required by subsections (a) and (b) of sec-

1 tion 1115 of title 31, United States Code, a section
 2 on its SBIR program, and shall submit such section
 3 to the Committee on Small Business of the Senate,
 4 and the Committee on Science and the Committee
 5 on Small Business of the House of Representa-
 6 tives.”.

7 **SEC. 8. OUTPUT AND OUTCOME DATA.**

8 (a) **COLLECTION.**—Section 9(g) of the Small Busi-
 9 ness Act (15 U.S.C. 638(g)) is amended—

10 (1) by striking “and” at the end of paragraph
 11 (7);

12 (2) by striking the period at the end of para-
 13 graph (8) and inserting “; and”; and

14 (3) by adding at the end the following new
 15 paragraph:

16 “(9) collect and include in the report required
 17 by paragraph (8) such data from awardees as is nec-
 18 essary to assess SBIR program outputs and out-
 19 comes, including data necessary to maintain the
 20 data base described in subsection (k).”.

21 (b) **REPORT TO CONGRESS.**—Section 9(b)(7) of the
 22 Small Business Act (15 U.S.C. 638(b)(7)) is further
 23 amended by inserting “; including the data on output and
 24 outcomes collected pursuant to subsections (g)(8) and
 25 (o)(9) and a description of the extent to which Federal

1 agencies are providing in a timely manner information
2 needed to maintain the data base described in subsection
3 (k)” before the period at the end.

4 (c) DATA BASE.—Section 9 of the Small Business
5 Act (15 U.S.C. 638) is amended by adding after sub-
6 section (j) the following new subsection:

7 “(k) DATA BASE.—

8 “(1) PUBLIC DATA BASE.—Not later than 180
9 days after the date of the enactment of the Small
10 Business Innovation Research Program Reauthoriza-
11 tion Act of 1999, the Administrator shall develop,
12 maintain, and make available to the public a search-
13 able, up-to-date, electronic data base that includes—

14 “(A) the name, size, and location, and an
15 identifying number assigned by the Administra-
16 tion, of each small business concern that has re-
17 ceived a first phase or second phase SBIR
18 award from a Federal agency; and

19 “(B) a description of each first phase or
20 second phase SBIR award received by that
21 small business concern, including—

22 “(i) an abstract of the project funded
23 by the award;

24 “(ii) the Federal agency making the
25 award; and

1 “(iii) the date and amount of the
2 award.

3 ~~“(2) GOVERNMENT DATA BASE.—Not later~~
4 ~~than 180 days after the date of the enactment of the~~
5 ~~Small Business Innovation Research Program Reau-~~
6 ~~thorization Act of 1999, the Administrator, in con-~~
7 ~~sultation with Federal agencies required to have an~~
8 ~~SBIR program pursuant to subsection (f)(1), shall~~
9 ~~develop and maintain a data base to be used for~~
10 ~~SBIR program evaluation that—~~

11 ~~“(A) contains information, for each second~~
12 ~~phase award made by a Federal agency, on—~~

13 ~~“(i) revenue from the sale of new~~
14 ~~products or services (other than research~~
15 ~~or research and development services) re-~~
16 ~~sulting from the technology developed~~
17 ~~under the award; and~~

18 ~~“(ii) additional investment from any~~
19 ~~source, other than the SBIR or STTR pro-~~
20 ~~gram, in activities that further the develop-~~
21 ~~ment or commercialization of the tech-~~
22 ~~nology developed under the award, with~~
23 ~~commercialization investment identified~~
24 ~~separately;~~

1 “(B) includes any brief narrative informa-
2 tion that a small business concern receiving a
3 second phase award submits to further describe
4 the outputs and outcomes of its award;

5 “(C) includes for each applicant for a first
6 phase or second phase award which does not re-
7 ceive an award—

8 “(i) the name, size, and location, and
9 an identifying number assigned by the Ad-
10 ministration;

11 “(ii) an abstract of the project; and

12 “(iii) the Federal agency to which the
13 application was made; and

14 “(D) is available for use only for program
15 evaluation purposes by the Federal Government
16 or by other authorized persons who are subject
17 to a use and nondisclosure agreement with the
18 Federal Government covering the use of the
19 data base.

20 “(3) PROTECTION OF INFORMATION.—Informa-
21 tion provided under paragraph (2) shall be consid-
22 ered privileged and confidential and not subject to
23 disclosure pursuant to section 552 of title 5, United
24 States Code.”.

1 **SEC. 9. AWARD AMOUNT AND DURATION.**

2 Section 9(j) of the Small Business Act (15 U.S.C.
3 638(j)) is further amended by adding at the end the fol-
4 lowing new paragraph:

5 “(4) FURTHER MODIFICATION.—Not later than
6 30 days after the date of enactment of the Small
7 Business Innovation Research Program Reauthoriza-
8 tion Act of 1999, the Administrator shall modify the
9 policy directives issued pursuant to this subsection
10 to—

11 “(A) authorize awards exceeding the
12 amounts established under paragraph (2)(D) or
13 for time periods greater than those established
14 pursuant to this subsection;

15 “(B) require agencies to give preference
16 when providing second phase awards that ex-
17 ceed the amounts established under paragraph
18 (2)(D) to projects that have met the require-
19 ments of subsection (e)(4)(B)(ii) and (iii); and

20 “(C) require that notice of and a justifica-
21 tion for any award described in subparagraph
22 (A) be included in the report required under
23 subsection (g)(8).”.

24 **SEC. 10. SECOND PHASE COMMERCIAL PLAN.**

25 Section 9(j)(2) of the Small Business Act (15 U.S.C.
26 638(j)(2)) is further amended—

1 (1) by striking “and” at the end of subpara-
2 graph (H);

3 (2) by striking the period at the end of sub-
4 paragraph (I) and inserting “; and”; and

5 (3) by adding at the end the following new sub-
6 paragraph:

7 “(J) the requirement of a commercial plan
8 with each application for a second phase
9 award.”.

10 **SEC. 11. NATIONAL RESEARCH COUNCIL REPORT.**

11 (a) **STUDY AND RECOMMENDATIONS.**—The heads of
12 each agency with a budget of more than \$65,000,000 for
13 its SBIR program for fiscal year 1999 shall, not later than
14 6 months after the date of the enactment of this Act, coop-
15 eratively enter into an agreement with the National Re-
16 search Council for such Council, in consultation with the
17 Office of Advocacy of the Small Business Administration
18 and other interested parties, to—

19 (1) conduct a comprehensive study of how the
20 Small Business Innovation Research Program has
21 stimulated technological innovation and used small
22 businesses to meet Federal research and develop-
23 ment needs, including—

24 (A) a review of the importance that Fed-
25 eral research agencies are assigning to the

1 Small Business Innovation Research Program;
2 and of the quality of research being conducted
3 under such program;

4 (B) an evaluation of the economic rate of
5 return of the Small Business Innovation Re-
6 search Program over the life of the program;

7 (C) a comparison of the rate of techno-
8 logical innovation by small businesses with that
9 of large businesses and universities;

10 (D) a comparison of the allocation for fis-
11 cal year 1999 of Federal research and develop-
12 ment funds to small businesses with such allo-
13 cation for fiscal year 1983; and

14 (E) an analysis of whether Federal agen-
15 cies, in fulfilling their procurement needs, are
16 making sufficient effort to use small businesses
17 that have completed a second phase award; and
18 (2) make recommendations with respect to—

19 (A) measures of outcomes for strategic
20 plans submitted under section 306 of title 5,
21 United States Code, and performance plans
22 submitted under section 1115 of title 31,
23 United States Code, of each Federal agency
24 participating in the Small Business Innovation
25 Research Program;

1 (B) whether companies who can dem-
 2 onstrate project feasibility, but who have not re-
 3 ceived a first phase award, should be eligible for
 4 second phase awards; and the potential impacts
 5 of such awards on the competitive selection
 6 process of the program;

7 (C) whether the Federal Government
 8 should be permitted to recoup some or all of its
 9 expenses if a controlling interest in a company
 10 receiving an SBIR award is sold to a foreign
 11 company or to a company which is not a small
 12 business concern;

13 (D) how to increase the use by the Federal
 14 Government in its programs and procurements
 15 of technology-oriented small businesses; and

16 (E) improvements to the SBIR program.

17 (b) REPORT.—Not later than 4 years after the date
 18 of the enactment of this Act, the heads of agencies enter-
 19 ing into an agreement under this section shall coopera-
 20 tively transmit to the Committee on Science and the Com-
 21 mittee on Small Business of the House of Representatives,
 22 and to the Committee on Small Business of the Senate,
 23 a report including the results of the study conducted under
 24 subsection (a)(1) and recommendations made under sub-
 25 section (a)(2).

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) *SHORT TITLE.*—*This Act may be cited as the*
 3 *“Small Business Innovation Research Program Reauthor-*
 4 *ization Act of 2000”.*

5 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 6 *this Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

Sec. 3. Extension of SBIR program.

Sec. 4. Third phase assistance.

Sec. 5. Rights to data.

Sec. 6. Report on programs for annual performance plan.

Sec. 7. Collection, reporting, and maintenance of information.

Sec. 8. Federal agency expenditures for the SBIR program.

Sec. 9. Federal and State technology partnership program.

Sec. 10. Mentoring Networks.

7 **SEC. 2. FINDINGS.**

8 *Congress finds that—*

9 (1) *the small business innovation research pro-*
 10 *gram established under the Small Business Innova-*
 11 *tion Development Act of 1982, and reauthorized by*
 12 *the Small Business Research and Development En-*
 13 *hancement Act of 1992 (referred to in this section as*
 14 *“SBIR” or the “SBIR program”), is highly successful*
 15 *in involving small business concerns in federally*
 16 *funded research and development;*

17 (2) *the SBIR program made the cost-effective*
 18 *and unique research and development capabilities*
 19 *possessed by the small business concerns of this Na-*
 20 *tion available to Federal departments and agencies;*

1 (3) the innovative goods and services developed
2 by small business concerns that participated in the
3 SBIR program have produced innovations of critical
4 importance in a wide variety of high-technology
5 fields, including biology, medicine, education, elec-
6 tronics, information technology, materials, and de-
7 fense;

8 (4) the SBIR program is a catalyst in the pro-
9 motion of research and development, the commer-
10 cialization of innovative technology, the development
11 of new products and services, the attraction of private
12 investment, and the continued excellence of the high-
13 technology industries of this Nation; and

14 (5) the continuation of the SBIR program will—

15 (A) provide expanded opportunities for one
16 of the vital resources of the Nation, its small
17 business concerns;

18 (B) foster invention, research, and tech-
19 nology;

20 (C) create jobs; and

21 (D) increase economic growth and the com-
22 petitiveness of this Nation in international mar-
23 kets.

1 **SEC. 3. EXTENSION OF SBIR PROGRAM.**

2 *Section 9(m) of the Small Business Act (15 U.S.C.*
 3 *638(m)) is amended to read as follows:*

4 *“(m) TERMINATION.—The authorization to carry out*
 5 *the Small Business Innovation Research Program estab-*
 6 *lished under this section shall terminate on September 30,*
 7 *2010.”.*

8 **SEC. 4. THIRD PHASE ASSISTANCE.**

9 *Section 9(e)(4)(C)(i) of the Small Business Act (15*
 10 *U.S.C. 638(e)(4)(C)(i)) is amended by striking “; and” and*
 11 *inserting “; or”.*

12 **SEC. 5. RIGHTS TO DATA.**

13 *Section 9(j) of the Small Business Act (15 U.S.C.*
 14 *638(j)) is amended by adding at the end the following:*

15 *“(3) ADDITIONAL MODIFICATIONS.—Not later than 120*
 16 *days after the date of enactment of the Small Business In-*
 17 *novation Research Program Reauthorization Act of 2000,*
 18 *the Administrator shall modify the policy directives issued*
 19 *under this subsection to clarify that the rights provided for*
 20 *under paragraph (2)(A) apply to all Federal funding*
 21 *awards, including—*

22 *“(A) the first phase (as described in subsection*
 23 *(e)(4)(A));*

24 *“(B) the second phase (as described in subsection*
 25 *(e)(4)(B)); and*

1 “(C) the third phase (as described in subsection
2 (e)(4)(C)).”.

3 **SEC. 6. REPORT ON PROGRAMS FOR ANNUAL PERFORM-**
4 **ANCE PLAN.**

5 Section 9(o)(8) of the Small Business Act (15 U.S.C.
6 638(o)(8)) is amended—

7 (1) by striking “its STTR program” and insert-
8 ing “the SBIR and STTR programs of the agency”;
9 and

10 (2) by inserting before the semicolon “, and to
11 the Administrator”.

12 **SEC. 7. COLLECTION, REPORTING, AND MAINTENANCE OF**
13 **INFORMATION.**

14 (a) *COLLECTION.*—Section 9(g) of the Small Business
15 Act (15 U.S.C. 638(g)) is amended—

16 (1) in paragraph (7), by striking “and” at the
17 end;

18 (2) in paragraph (8), by striking the period at
19 the end and inserting “; and”; and

20 (3) by adding at the end the following:

21 “(9) collect, and maintain in a common format,
22 such information from awardees as is necessary to as-
23 sess the SBIR program, including information nec-
24 essary to maintain the database described in sub-
25 section (k).”.

1 (b) *REPORT TO CONGRESS*.—Section 9(b)(7) of the
 2 *Small Business Act* (15 U.S.C. 638(b)(7)) is amended by
 3 inserting before the period at the end the following: “, in-
 4 cluding the information collected under subsections (g)(9)
 5 and (o)(9) and a description of the extent to which Federal
 6 agencies are providing in a timely manner information
 7 needed to maintain the database described in subsection
 8 (k)”.

9 (c) *PUBLIC DATABASE*.—Section 9(k) of the *Small*
 10 *Business Act* (15 U.S.C. 638(k)) is amended to read as fol-
 11 lows:

12 “(k) *PUBLIC DATABASE*.—Not later than 180 days
 13 after the date of enactment of the *Small Business Innova-*
 14 *tion Research Program Reauthorization Act of 2000*, the
 15 Administrator shall develop, maintain, and make available
 16 to the public a searchable, up-to-date, electronic database
 17 that includes—

18 “(1) the name, size, location, and an identifying
 19 number assigned by the Administrator, of each small
 20 business concern that has received a first phase or sec-
 21 ond phase SBIR award from a Federal agency;

22 “(2) a description of each first phase or second
 23 phase SBIR award received by that small business
 24 concern, including—

1 “(A) an abstract of the project funded by
2 the award;

3 “(B) the Federal agency making the award;
4 and

5 “(C) the date and amount of the award;

6 “(3) an identification of any business concern or
7 subsidiary established for the commercial application
8 of a product or service for which an SBIR award is
9 made; and

10 “(4) information regarding mentors and Men-
11 toring Networks, as required by section 35(e).”.

12 **SEC. 8. FEDERAL AGENCY EXPENDITURES FOR THE SBIR**
13 **PROGRAM.**

14 Section 9(i) of the Small Business Act (15 U.S.C.
15 638(i)) is amended—

16 (1) by striking “(i) Each Federal” and inserting
17 the following:

18 “(i) ANNUAL REPORTING.—

19 “(1) IN GENERAL.—Each Federal”; and

20 (2) by adding at the end the following:

21 “(2) CALCULATION OF EXTRAMURAL BUDGET.—

22 “(A) METHODOLOGY.—Not later than 4
23 months after the date of enactment of each ap-
24 propriations Act for a Federal agency required
25 by this section to have an SBIR program, the

1 *comptroller of that Federal agency shall submit*
 2 *to the Administrator a report, which shall in-*
 3 *clude a description of the methodology used for*
 4 *calculating the amount of the extramural budget*
 5 *of that Federal agency (as defined in subsection*
 6 *(e)(1)).*

7 *“(B) ADMINISTRATOR’S ANALYSIS.—The*
 8 *Administrator shall include an analysis of the*
 9 *methodology received from each Federal agency*
 10 *referred to in subparagraph (A) in the report re-*
 11 *quired by subsection (b)(7).”.*

12 **SEC. 9. FEDERAL AND STATE TECHNOLOGY PARTNERSHIP**
 13 **PROGRAM.**

14 *(a) FINDINGS.—Congress finds that—*

15 *(1) programs to foster economic development*
 16 *among small high-technology firms vary widely*
 17 *among the States;*

18 *(2) States that do not aggressively support the*
 19 *development of small high-technology firms, including*
 20 *participation by small business concerns in the Small*
 21 *Business Innovation Research Program (referred to in*
 22 *this section as “SBIR” or the “SBIR program”), are*
 23 *at a competitive disadvantage in establishing a busi-*
 24 *ness climate that is conducive to technology develop-*
 25 *ment; and*

1 (3) *building stronger national, State, and local*
 2 *support for science and technology research in these*
 3 *disadvantaged States will expand economic opportu-*
 4 *nities in the United States, create jobs, and increase*
 5 *the competitiveness of the United States in the world*
 6 *market.*

7 (b) *FEDERAL AND STATE TECHNOLOGY PARTNERSHIP*
 8 *PROGRAM.—The Small Business Act (15 U.S.C. 631 et seq.)*
 9 *is amended—*

10 (1) *by redesignating section 34 as section 36;*
 11 *and*

12 (2) *by inserting after section 33 the following:*

13 **“SEC. 34. FEDERAL AND STATE TECHNOLOGY PARTNER-**
 14 **SHIP PROGRAM.**

15 “(a) *DEFINITIONS.—In this section—*

16 *“(1) the term ‘applicant’ means an entity, orga-*
 17 *nization, or individual that submits a proposal for an*
 18 *award or a cooperative agreement under this section;*

19 *“(2) the terms ‘business advice and counseling’,*
 20 *‘mentor’, and ‘Mentoring Network’ have the same*
 21 *meanings as in section 35(b);*

22 *“(3) the term ‘recipient’ means a person that re-*
 23 *ceives an award or becomes party to a cooperative*
 24 *agreement under this section;*

1 “(4) the term ‘SBIR program’ has the same
2 meaning as in section 9(e)(4);

3 “(5) the term ‘State’ means any of the 50 States
4 of the United States, the District of Columbia, and
5 Puerto Rico; and

6 “(6) the term ‘STTR program’ has the same
7 meaning as in section 9(e)(6).

8 “(b) *ESTABLISHMENT OF PROGRAM.*—The Adminis-
9 trator shall establish a program to be known as the Federal
10 and State Technology Partnership Program (referred to in
11 this section as ‘FAST’), the purpose of which shall be to
12 strengthen the technological competitiveness of small busi-
13 ness concerns in the States.

14 “(c) *GRANTS AND COOPERATIVE AGREEMENTS.*—

15 “(1) *JOINT REVIEW.*—In carrying out the FAST
16 program under this section, the Administrator and
17 the SBIR program managers at the National Science
18 Foundation and the Department of Defense shall
19 jointly review proposals submitted by applicants and
20 may make awards or enter into cooperative agree-
21 ments under this section based on the factors for con-
22 sideration set forth in paragraph (2), in order to en-
23 hance or develop in a State—

24 “(A) technology research and development
25 by small business concerns;

1 “(B) technology transfer from university re-
2 search to technology-based small business con-
3 cerns;

4 “(C) technology deployment and diffusion
5 benefiting small business concerns;

6 “(D) the technological capabilities of small
7 business concerns through the establishment or
8 operation of consortia comprised of entities, or-
9 ganizations, or individuals, including—

10 “(i) State and local development agen-
11 cies and entities;

12 “(ii) representatives of technology-
13 based small business concerns;

14 “(iii) industries and emerging compa-
15 nies;

16 “(iv) universities; and

17 “(v) small business development cen-
18 ters; and

19 “(E) outreach, financial support, and tech-
20 nical assistance to technology-based small busi-
21 ness concerns interested in participating in the
22 SBIR program, including initiatives—

23 “(i) to make grants or loans to compa-
24 nies to pay a portion or all of the cost of
25 developing SBIR proposals;

1 “(ii) to establish or operate a Men-
 2 toring Network within the FAST program
 3 to provide business advice and counseling
 4 that will assist small business concerns that
 5 have been identified by FAST program par-
 6 ticipants, program managers of partici-
 7 pating SBIR agencies, the Administration,
 8 or other entities that are knowledgeable
 9 about the SBIR and STTR programs as
 10 good candidates for the SBIR and STTR
 11 programs, and that would benefit from
 12 mentoring, in accordance with section 35;

13 “(iii) to create or participate in a
 14 training program for individuals providing
 15 SBIR outreach and assistance at the State
 16 and local levels; and

17 “(iv) to encourage the commercializa-
 18 tion of technology developed through SBIR
 19 program funding.

20 “(2) *SELECTION CONSIDERATIONS.*—In making
 21 awards or entering into cooperative agreements under
 22 this section, the Administrator and the SBIR pro-
 23 gram managers referred to in paragraph (1)—

24 “(A) may only consider proposals by appli-
 25 cants that intend to use a portion of the Federal

1 *assistance provided under this section to provide*
2 *outreach, financial support, or technical assist-*
3 *ance to technology-based small business concerns*
4 *participating in or interested in participating*
5 *in the SBIR program; and*

6 *“(B) shall consider, at a minimum—*

7 *“(i) whether—*

8 *“(I) the applicant has dem-*
9 *onstrated that the assistance to be pro-*
10 *vided would address unmet needs of*
11 *small business concerns in the commu-*
12 *nity; and*

13 *“(II) it is important to use Fed-*
14 *eral funding for the proposed activities;*

15 *“(ii) whether the applicant has dem-*
16 *onstrated that a need exists to increase the*
17 *number and success of small high-technology*
18 *businesses in the State, as measured by the*
19 *number of first phase and second phase*
20 *SBIR awards that have historically been re-*
21 *ceived by small business concerns in the*
22 *State;*

23 *“(iii) whether the projected costs of the*
24 *proposed activities are reasonable;*

1 “(iv) *whether the proposal integrates*
2 *and coordinates the proposed activities with*
3 *other State and local programs assisting*
4 *small high-technology firms in the State;*
5 *and*

6 “(v) *the manner in which the appli-*
7 *cant will measure the results of the activi-*
8 *ties to be conducted.*

9 “(3) *PROPOSAL LIMIT.—Not more than 1 pro-*
10 *posal may be submitted for inclusion in the FAST*
11 *program under this section to provide services in any*
12 *one State in any fiscal year.*

13 “(4) *PROCESS.—Proposals and applications for*
14 *assistance under this section shall be in such form*
15 *and subject to such procedures as the Administrator*
16 *shall establish.*

17 “(d) *COOPERATION AND COORDINATION.—In carrying*
18 *out the FAST program under this section, the Adminis-*
19 *trator shall cooperate and coordinate with—*

20 “(1) *Federal agencies required by section 9 to*
21 *have an SBIR program; and*

22 “(2) *entities, organizations, and individuals ac-*
23 *tively engaged in enhancing or developing the techno-*
24 *logical capabilities of small business concerns,*
25 *including—*

1 “(A) *State and local development agencies*
2 *and entities;*

3 “(B) *State committees established under the*
4 *Experimental Program to Stimulate Competitive*
5 *Research of the National Science Foundation (as*
6 *established under section 113 of the National*
7 *Science Foundation Authorization Act of 1988*
8 *(42 U.S.C. 1862g)), to the extent that such com-*
9 *mittees exist in the States;*

10 “(C) *State science and technology councils,*
11 *to the extent that such councils exist in the*
12 *States; and*

13 “(D) *representatives of technology-based*
14 *small business concerns.*

15 “(e) *ADMINISTRATIVE REQUIREMENTS.—*

16 “(1) *COMPETITIVE BASIS.—Awards and coopera-*
17 *tive agreements under this section shall be made or*
18 *entered into, as applicable, on a competitive basis.*

19 “(2) *MATCHING REQUIREMENTS.—*

20 “(A) *IN GENERAL.—The non-Federal share*
21 *of the cost of an activity (other than a planning*
22 *activity) carried out using an award or under a*
23 *cooperative agreement under this section shall*
24 *be—*

1 “(i) 50 cents for each Federal dollar,
2 in the case of a recipient that will serve
3 small business concerns located in one of the
4 18 States receiving the fewest SBIR first
5 phase awards (as described in section
6 9(e)(4)(A));

7 “(ii) 1 dollar for each Federal dollar,
8 in the case of a recipient that will serve
9 small business concerns located in one of the
10 16 States receiving the greatest number of
11 such SBIR first phase awards; and

12 “(iii) 75 cents for each Federal dollar,
13 in the case of a recipient that will serve
14 small business concerns located in a State
15 that is not described in clause (i) or (ii)
16 that is receiving such SBIR first phase
17 awards.

18 “(B) TYPES OF FUNDING.—The non-Federal
19 share of the cost of an activity carried out by a
20 recipient shall be comprised of not less than 50
21 percent cash and not more than 50 percent of in-
22 direct costs and in-kind contributions, except
23 that no such costs or contributions may be de-
24 rived from funds from any other Federal pro-
25 gram.

1 “(C) *RANKINGS.*—For purposes of subpara-
 2 graph (A), the Administrator shall reevaluate the
 3 ranking of a State once every 2 fiscal years, be-
 4 ginning with fiscal year 2001, based on the most
 5 recent statistics compiled by the Administrator.

6 “(3) *DURATION.*—Awards may be made or coop-
 7 erative agreements entered into under this section for
 8 multiple years, not to exceed 3 years in total.

9 “(f) *REPORTS.*—

10 “(1) *INITIAL REPORT.*—Not later than 120 days
 11 after the date of enactment of the Small Business In-
 12 novation Research Program Reauthorization Act of
 13 2000, the Administrator shall prepare and submit to
 14 the Committees on Small Business of the Senate and
 15 the House of Representatives a report, which shall in-
 16 clude, with respect to the FAST program, including
 17 Mentoring Networks (as defined in section 35)—

18 “(A) a description of the structure and pro-
 19 cedures of the program;

20 “(B) a management plan for the program;
 21 and

22 “(C) a description of the merit-based review
 23 process to be used in the program.

24 “(2) *ANNUAL REPORTS.*—The Administrator
 25 shall submit an annual report to the Committees on

1 *Small Business of the Senate and the House of Rep-*
 2 *resentatives regarding—*

3 “(A) *the number and amount of awards*
 4 *provided and cooperative agreements entered into*
 5 *under the FAST program during the preceding*
 6 *year;*

7 “(B) *a list of recipients under this section,*
 8 *including their location and the activities being*
 9 *performed with the awards made or under the*
 10 *cooperative agreements entered into; and*

11 “(C) *the Mentoring Networks and the men-*
 12 *toring data base, as provided for under section*
 13 *35, including—*

14 “(i) *the status of the inclusion of men-*
 15 *toring information in the database required*
 16 *by section 9(k); and*

17 “(ii) *the status of the implementation*
 18 *and description of the usage of the Men-*
 19 *toring Networks (as defined in section 35).*

20 “(g) *REVIEWS BY INSPECTOR GENERAL.—*

21 “(1) *IN GENERAL.—The Office of the Inspector*
 22 *General of the Administration shall conduct a review*
 23 *of—*

24 “(A) *the extent to which recipients under*
 25 *the FAST program are measuring the perform-*

1 *ance of the activities being conducted and the re-*
 2 *sults of such measurements; and*

3 *“(B) the overall management and effective-*
 4 *ness of the FAST program.*

5 *“(2) REPORT.—During the first quarter of fiscal*
 6 *year 2004, the Office of the Inspector General of the*
 7 *Administration shall submit a report to the Commit-*
 8 *tees on Small Business of the Senate and the House*
 9 *of Representatives on the review conducted under*
 10 *paragraph (1).*

11 *“(h) PROGRAM LEVELS.—*

12 *“(1) IN GENERAL.—Subject to an appropriations*
 13 *Act, there is authorized to be appropriated to carry*
 14 *out the FAST program, including Mentoring Net-*
 15 *works, under this section and section 35, \$10,000,000*
 16 *for each of fiscal years 2001 through 2005.*

17 *“(2) MENTORING DATABASE.—Of the total*
 18 *amount made available under paragraph (1) for fis-*
 19 *cal years 2001 through 2005, a reasonable amount,*
 20 *not to exceed a total of \$500,000, may be used by the*
 21 *Administration to carry out section 35(e).*

22 *“(i) TERMINATION.—The authorization to carry out*
 23 *the FAST program under this section shall terminate on*
 24 *September 30, 2005.”.*

1 (d) *COORDINATION OF TECHNOLOGY DEVELOPMENT*
 2 *PROGRAMS.*—Section 9 of the Small Business Act (15
 3 U.S.C. 638) is amended by adding at the end the following:

4 “(u) *COORDINATION OF TECHNOLOGY DEVELOPMENT*
 5 *PROGRAMS.*—

6 “(1) *DEFINITION OF TECHNOLOGY DEVELOPMENT*
 7 *PROGRAM.*—In this subsection, the term ‘technology
 8 development program’ means—

9 “(A) the Experimental Program to Stimu-
 10 late Competitive Research of the National
 11 Science Foundation, as established under section
 12 113 of the National Science Foundation Author-
 13 ization Act of 1988 (42 U.S.C. 1862g);

14 “(B) the Defense Experimental Program to
 15 Stimulate Competitive Research of the Depart-
 16 ment of Defense;

17 “(C) the Experimental Program to Stimu-
 18 late Competitive Technology of the Department
 19 of Commerce;

20 “(D) the Experimental Program to Stimu-
 21 late Competitive Research of the Department of
 22 Energy;

23 “(E) the Experimental Program to Stimu-
 24 late Competitive Research of the Environmental
 25 Protection Agency;

1 “(F) the Experimental Program to Stimu-
 2 late Competitive Research of the National Air
 3 and Space Administration;

4 “(G) the Institutional Development Award
 5 Program of the National Institutes of Health;
 6 and

7 “(H) the National Research Initiative Com-
 8 petitive Grants Program of the Department of
 9 Agriculture.

10 “(2) COORDINATION REQUIREMENTS.—Each
 11 Federal agency that is subject to subsection (f) and
 12 that has established a technology development pro-
 13 gram shall, in each fiscal year—

14 “(A) review for funding under that tech-
 15 nology development program—

16 “(i) any proposal from an entity, orga-
 17 nization, or individual located in a State
 18 that is eligible to participate in that pro-
 19 gram to provide outreach and assistance to
 20 1 or more small business concerns interested
 21 in participating in the SBIR program, in-
 22 cluding any proposal to make a grant or
 23 loan to a company to pay a portion or all
 24 of the cost of developing an SBIR proposal;
 25 or

1 “(ii) any proposal for the first phase of
2 the SBIR program from a small business
3 concern located in a State that is eligible to
4 participate in a technology development
5 program if the proposal, though meri-
6 torious, is not funded through the SBIR
7 program for that fiscal year due to funding
8 restraints; and

9 “(B) consider proposals described in sub-
10 paragraph (A) to be eligible for funding, as de-
11 scribed in subparagraph (A), if the applicant is
12 located in a State that is an eligible State.

13 “(3) DEFINITION OF ‘ELIGIBLE STATE’.—In this
14 subsection, the term ‘eligible State’ means a State in
15 which the total value of contracts awarded to small
16 business concerns under the SBIR program is less
17 than the total value of contracts awarded to small
18 business concerns in a majority of other States, as de-
19 termined by the Administrator in biennial fiscal
20 years, beginning with fiscal year 2000, based on the
21 most recent statistics compiled by the Adminis-
22 trator.”.

1 **SEC. 10. MENTORING NETWORKS.**

2 *The Small Business Act (15 U.S.C. 631 et seq.) is*
 3 *amended by inserting before section 36, as redesignated by*
 4 *this Act, the following:*

5 **“SEC. 35. MENTORING NETWORKS.**

6 “(a) *FINDINGS.—Congress finds that—*

7 “(1) *the SBIR and STTR programs create jobs,*
 8 *increase capacity for technological innovation, and*
 9 *boost international competitiveness;*

10 “(2) *increasing the quantity of applications from*
 11 *all States to the SBIR and STTR programs would*
 12 *enhance competition for such awards and the quality*
 13 *of the completed projects; and*

14 “(3) *mentoring is a natural complement to the*
 15 *FAST program of reaching out to new companies re-*
 16 *garding the SBIR and STTR programs as an effec-*
 17 *tive and low-cost way to improve the likelihood that*
 18 *such companies will succeed in such programs in de-*
 19 *veloping and commercializing their research.*

20 “(b) *DEFINITIONS.—In this section—*

21 “(1) *the term ‘business advice and counseling’*
 22 *means providing advice and assistance on matters de-*
 23 *scribed in subsection (d)(2)(B) to small business con-*
 24 *cerns to guide them through the SBIR and STTR*
 25 *program processes, from application to award and*
 26 *successful completion of each phase of the program;*

1 “(2) the term ‘mentor’ means an individual de-
2 scribed in subsection (d)(2); and

3 “(3) the term ‘Mentoring Network’ means an as-
4 sociation, organization, coalition, or other entity (in-
5 cluding an individual) that meets the requirements of
6 subsection (d).

7 “(c) *AUTHORIZATION FOR MENTORING NETWORKS.*—
8 *The recipient of an award or participant in a cooperative*
9 *agreement under section 34 may use a reasonable amount*
10 *of such assistance for the establishment of a Mentoring Net-*
11 *work under this section.*

12 “(d) *CRITERIA FOR MENTORING NETWORKS.*—*A Men-*
13 *toring Network established using assistance under section*
14 *34 shall—*

15 “(1) *provide business advice and counseling to*
16 *high technology small business concerns located in the*
17 *State or region served by the network and identified*
18 *under section 34(c)(1)(E)(ii) as potential candidates*
19 *for the SBIR or STTR programs;*

20 “(2) *identify volunteer mentors who—*

21 “(A) *are persons associated with a small*
22 *business concern that has successfully completed*
23 *one or more SBIR or STTR funding agreements;*
24 *and*

1 “(B) have agreed to guide small business
2 concerns through all stages of the SBIR or STTR
3 program process, including providing assistance
4 relating to—

5 “(i) proposal writing;

6 “(ii) marketing;

7 “(iii) Government accounting;

8 “(iv) Government audits;

9 “(v) project facilities and equipment;

10 “(vi) human resources;

11 “(vii) phase III partners;

12 “(viii) commercialization;

13 “(ix) venture capital networking; and

14 “(x) other matters relevant to the

15 SBIR and STTR programs;

16 “(3) have experience working with small business
17 concerns participating in the SBIR and STTR pro-
18 grams;

19 “(4) contribute information to the national data-
20 base referred to in subsection (e); and

21 “(5) agree to reimburse volunteer mentors for
22 out-of-pocket expenses related to service as a mentor
23 under this section.

24 “(e) MENTORING DATABASE.—The Administrator
25 shall—

1 “(1) include in the database required by section
2 9(k), in cooperation with the SBIR, STTR, and
3 FAST programs, information on Mentoring Networks
4 and mentors participating under this section, includ-
5 ing a description of their areas of expertise;

6 “(2) work cooperatively with Mentoring Net-
7 works to maintain and update the database;

8 “(3) take such action as may be necessary to ag-
9 gressively promote Mentoring Networks under this sec-
10 tion; and

11 “(4) fulfill the requirements of this subsection ei-
12 ther directly or by contract.”.

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[Report No. 106-289]

A BILL

To amend the Small Business Act to extend the authorization for the Small Business Innovation Research Program, and for other purposes.

MAY 10, 2000

Reported with an amendment